

AMENDED IN SENATE JANUARY 22, 2009

SENATE BILL

No. 1

Introduced by Senators Steinberg and Alquist

(Principal ~~coauthor: Assembly Member Jones~~ *coauthors: Assembly Members Chesbro and Jones*)

December 1, 2008

An act to amend Sections 123870 and 123955 of the Health and Safety Code, to amend Sections 12693.43, 12693.70, 12693.73, 12693.76, and 12694 of, to add Sections 12693.55.1, 12693.56, 12693.57, 12693.701, and 12693.983 to, and to add Chapter 16.2 (commencing with Section 12694.1) to Part 6.2 of Division 2 of, the Insurance Code, and to amend Section 14005.23 of, and to add Sections 14005.26, 14011.01, 14011.02, and 14011.61 to, the Welfare and Institutions Code, relating to health care coverage.

LEGISLATIVE COUNSEL'S DIGEST

SB 1, as amended, Steinberg. Health care coverage: children.

Existing law establishes various public programs to provide health care coverage to eligible children, including the Medi-Cal program administered by the State Department of Health Care Services and county welfare agencies, and the Healthy Families Program administered by the Managed Risk Medical Insurance Board. *Children through 18 years of age are eligible for health care coverage under these programs if they meet certain household income and other criteria including specified citizenship and immigration status requirements. Under existing law, the applicant's signed statement as to the value or amount of income is accepted for eligibility purposes under the Healthy Families Program if documentation cannot otherwise be provided.*

This bill would expand eligibility for the Medi-Cal program and the Healthy Families Program by modifying the income requirements applicable to those programs, and by making coverage available regardless of citizenship or immigration status, as specified. The bill would require the Managed Risk Medical Insurance Board, by July 1, 2011, to implement a process for an applicant's self-certification of income and income deductions for purposes of establishing eligibility for the Healthy Families Program. The bill would require the Managed Risk Medical Insurance Board and the State Department of Health Care Services, by July 1, 2011, to simplify the annual renewal forms for children enrolled in the Healthy Families Program or the Medi-Cal program and to establish a process to allow families to renew their child's coverage by telephone. The bill would require the Managed Risk Medical Insurance Board and the State Department of Health Care Services to make specified technological improvements to the existing eligibility determination and enrollment systems for the Medi-Cal program and the Healthy Families Program and to develop a process to transition the enrollment of children from local children's health initiatives into those programs.

The bill would also make various related modifications to the Medi-Cal program and the Healthy Families Program and would require the State Department of Health Care Services and the Managed Risk Medical Insurance Board to maximize federal matching funds for the Medi-Cal program and the Healthy Families Program. Because the expansion of, and modifications to, the Medi-Cal program would impose certain duties on counties relative to administration of that program, the bill would impose a state-mandated local program.

Existing law establishes the Healthy Families Presumptive Eligibility Program, administered by the Managed Risk Medical Insurance Board, to provide a child who, among other requirements, has been receiving full-scope Medi-Cal benefits with health care benefits while the board determines the child's eligibility for the Healthy Families Program. Existing law also creates a Medi-Cal presumptive eligibility program to provide a child who, among other requirements, has been receiving benefits under the Healthy Families Program with health care benefits until a Medi-Cal eligibility determination is made.

This bill would require the Managed Risk Medical Insurance Board and the State Department of Health Care Services to monitor those programs to ensure children are timely enrolled in the presumptive eligibility benefits for which they are eligible.

Existing law requires the state to administer, to the extent allowed under federal law, and only if federal financial participation is available, the Medi-Cal to Healthy Families Presumptive Eligibility Program to provide a child not receiving no-cost Medi-Cal benefits or Healthy Families benefits who meets specified eligibility requirements, including the income requirements of the Healthy Families Program, with benefits identical to full-scope benefits under the Medi-Cal program with no share of cost for the period during which the child has an application pending for coverage under the Healthy Families Program.

This bill would establish, to the extent allowed by federal law and to the extent federal financial participation is available, the Medi-Cal Presumptive Eligibility Program that would provide a child not receiving no-cost Medi-Cal benefits or Healthy Families Program benefits who meets specified eligibility requirements with presumptive eligibility benefits identical to full-scope benefits under the Medi-Cal program with no share of cost until the child's eligibility for the Medi-Cal program is determined, as specified. The bill would require the county to forward the child's application to the Healthy Families Program if it finds the child eligible for the Medi-Cal program with a share of cost. The bill would require this program to be implemented by July 1, 2011.

Under existing law, the Robert W. Crown California Children's Services Act, the State Department of Health Care Services and each county administer the California Children Services Program (CCS program) for treatment services for persons under the age of 21 years diagnosed with severe chronic disease or severe physical limitations, as specified. Existing law limits eligibility for those services to persons in families with an annual adjusted gross income of \$40,000 or less.

This bill would change that eligibility limitation to persons in a family with an annual, or equivalent monthly income, that is equal to or less than \$40,000, or that meets the income eligibility requirements for the Healthy Families Program, as specified.

The bill would also create the Healthy Families Buy-In Program (buy-in program) and would require the Managed Risk Medical Insurance Board to implement that program by July 1, 2011. Under the buy-in program, the coverage provided under the Healthy Families Program would be available to children whose household income exceeds 300% of the federal poverty level and who meet other specified criteria. The bill would specify that coverage under the buy-in program would include services provided under the CCS program for children

eligible for the CCS program and would deem the child's family financially eligible for benefits under the CCS program. Because the bill would thereby expand eligibility for the CCS program, which is administered by a county's public health or social welfare department, it would impose a state-mandated local program. The bill would specify the family contribution required for children enrolled in the buy-in program.

Existing law requires the state to reimburse counties for 50% of the amount required to meet state administrative standards for that portion of the county caseload under the CCS program that is ineligible for Medi-Cal, to the extent funds are available in the state budget.

This bill would also require the state to reimburse counties for 100% of the amount required to provide CCS program services to children enrolled in the buy-in program.

Existing law, the California Special Supplemental Food Program for Women, Infants, and Children (WIC), authorizes establishment of a statewide program, administered by the State Department of Public Health, for providing nutritional food supplements to low-income pregnant women, low-income postpartum and lactating women, and low-income infants and children under 5 years of age, who have been determined to be at nutritional risk. The program, which implements a program authorized under existing federal law, provides for the redemption of nutrition coupons by recipients at any authorized retail food vendor. Existing law requires the Managed Risk Medical Insurance Board and the department, in collaboration with WIC program offices and other designated entities, to design, promulgate, and implement policies and procedures for an automated enrollment gateway system to obtain presumptive eligibility for, and to facilitate application for enrollment in, the Medi-Cal program and the Healthy Families Program for children applying to the WIC program. Existing law requires the WIC gateway system to be constructed with the capacity to be used by entities operating the WIC program.

This bill would require all WIC local agencies that serve large numbers of participants and a high proportion of uninsured participants, as specified, to use the WIC gateway system only to the extent funding is available, as specified, and would permit all other local WIC agencies to use the WIC gateway system at their option.

Existing law creates the Healthy Families Fund, and provides that money in the fund is continuously appropriated for purposes of the Healthy Families Program.

This bill would provide that the Managed Risk Medical Insurance Board may implement the provisions of the bill expanding the Healthy Families Program only to the extent that funds are appropriated for those purposes in the annual Budget Act or in another statute.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that, if the Commission on State Mandates determines that the bill contains costs mandated by the state, reimbursement for those costs shall be made pursuant to these statutory provisions.

~~Existing law creates the County Health Initiative Matching Fund in the State Treasury, administered by the Managed Risk Medical Insurance Board in collaboration with the State Department of Health Care Services, for the purpose of providing matching state funds and local funds received by the fund through intergovernmental transfers to a county agency, a local initiative, or a county organized health system in order to provide health insurance coverage to certain children in low-income households who do not qualify for health care benefits through the Healthy Families Program or Medi-Cal.~~

~~This bill would make various findings related to the status of children's health care coverage in the state and would state the intent of the Legislature to, among other things, enact legislation providing all uninsured children living in California access to comprehensive health care coverage that their families can afford.~~

Vote: majority. Appropriation: no. Fiscal committee: ~~no~~-yes.
State-mandated local program: ~~no~~-yes.

The people of the State of California do enact as follows:

- 1 SECTION 1. (a) The Legislature hereby finds and declares
- 2 all of the following:
- 3 (1) Investing in comprehensive health care coverage for children
- 4 is ~~cost-effective because children~~ *effective. Children* with health
- 5 care coverage are healthier, are better able to access needed health
- 6 care services, and are at less risk of suffering from preventable
- 7 illnesses.
- 8 (2) Health care coverage helps children reach their potential in
- 9 school. According to a study conducted by the Managed Risk

1 Medical Insurance Board, children enrolled in the Healthy Families
2 Program experienced a 63 percent improvement in paying attention
3 in class and keeping up with school activities.

4 *(3) Expanding health care coverage to more children is an*
5 *essential step to increasing access to preventive, diagnostic, and*
6 *therapeutic health care services for children, which, in turn, will*
7 *reduce the burden of disease and contribute to a more productive*
8 *workforce.*

9 ~~(3)~~
10 (4) Although over nine of every 10 children in California have
11 health care coverage, about ~~763,000~~ 683,000 children in the state
12 are without health care coverage according to ~~2005~~ 2007 data from
13 the Center for Health Policy Research at the University of
14 California at Los Angeles. ~~Of these children without coverage,~~
15 ~~almost 60 percent are eligible for either the Healthy Families~~
16 ~~Program or the Medi-Cal program.~~
17 *at Los Angeles.*

18 (5) *Of the 683,000 children without coverage, approximately*
19 *56 percent are eligible for either the Healthy Families Program*
20 *or the Medi-Cal program. It is essential to support local outreach*
21 *efforts that find and enroll children into the program for which*
22 *they are eligible.*

23 (6) *The goal of providing all uninsured children with health*
24 *care coverage through California's two statewide programs is*
25 *achievable. However, if the state fails to act now, more children*
26 *may become uninsured, resulting in greater costs to the state as*
27 *children with developmental disabilities go undiagnosed until*
28 *older ages after more effective and inexpensive treatments could*
29 *have been implemented, and resulting in more costly emergency*
30 *room visits and hospitalizations as children with chronic diseases*
31 *fail to receive ongoing treatment.*

32 ~~(4) In this economic recession, working California families are~~
33 ~~struggling. With the unemployment rate reaching 8.2 percent in~~
34 ~~California, more workers are losing their jobs and the health care~~
35 ~~coverage associated with those jobs. Now, more than ever, these~~

36 (7) *In the current economic recession, businesses are struggling,*
37 *resulting in some businesses having to reduce their workforce or*
38 *the hours of their employees. As a result, many families are losing*
39 *their employer-based health insurance due to job loss or reduction*
40 *in benefits. Now, more than ever, these families rely on need*

1 affordable health care coverage programs for their children. *It is*
2 *also critical that these families be informed about public programs*
3 *for which they and their children may be eligible.*

4 ~~(5)~~

5 (8) Forty-six percent of Medi-Cal beneficiaries in California
6 are children.

7 ~~(6) The goal of providing all uninsured children with health~~
8 ~~care coverage through California's two statewide programs is~~
9 ~~achievable now. With less than 10 percent of all children in need~~
10 ~~of health care coverage, the state is close to completing the goal.~~
11 ~~However, if the state fails to act now, more children may become~~
12 ~~uninsured, resulting in greater costs to the state as the families of~~
13 ~~those children turn to emergency rooms for the treatment of~~
14 ~~preventable conditions.~~

15 ~~(7)~~

16 (9) Local Children's Health Initiatives (CHIs) have provided
17 health care coverage to over 150,000 children cumulatively since
18 2001 through locally-operated Healthy Kids programs. Through
19 their outreach, CHIs have also enrolled hundreds of thousands of
20 eligible children in Healthy Families and Medi-Cal coverage. With
21 local and private funding, CHIs currently provide local coverage
22 to 86,000 children who are not currently eligible for state health
23 care coverage and would otherwise be uninsured. However,
24 financing for these local *health* care coverage programs is not
25 sustainable. In fact, nearly 21,000 children are on waiting lists for
26 these CHIs. A statewide system is required to provide sustainable
27 funding to ensure that all children in California have access to
28 health care coverage. If California does not act quickly to provide
29 a statewide solution for children's health care coverage, children
30 will lose their access to care.

31 ~~(8)~~

32 (10) In at least half of the counties in the state, some children
33 have no access to affordable health care coverage.

34 ~~(9) Congress and the incoming administration have set~~
35 ~~addressing health care as a priority, which presents new~~
36 ~~opportunities for California to weave federal and state efforts~~
37 ~~together to finish the job for children.~~

38 (11) *Enrollment barriers, such as multiple reporting periods*
39 *and unaffordable premiums, keep children from accessing the*
40 *health care that they need and for which they are eligible.*

1 *Removing those barriers is essential to ensuring all California*
2 *children have access to affordable, comprehensive health care*
3 *coverage.*

4 *(12) The 111th Congress and the new administration have set*
5 *health care reform as a priority. This presents new opportunities*
6 *as well as the potential for additional federal funds for California*
7 *to finish the job of covering all children. This act is intended to be*
8 *congruent with and complementary of all national health care*
9 *reform efforts to provide opportunities for health care coverage*
10 *for children.*

11 (b) It is the intent of the Legislature to ~~enact legislation that~~
12 ~~does accomplish~~ all of the following:

13 ~~(1) Establishes a fund to protect existing state health insurance~~
14 ~~for children and to phase in a statewide health care coverage system~~
15 ~~for all children. It is the intent of the Legislature that this fund~~
16 ~~include private funds, a portion of federal Medicaid relief funds~~
17 ~~provided to California, and other federal funds made newly~~
18 ~~available to California for the purpose of children's health care.~~

19 *(1) Provide all uninsured children living in California, from*
20 *birth to 18 years of age, access to comprehensive health care*
21 *coverage that their families can afford.*

22 ~~(2) Prevents~~ *Prevent* more children from becoming uninsured
23 by preserving Healthy Families and Medi-Cal coverage for children
24 currently enrolled in those programs and keeping the doors to that
25 coverage open for new enrollees.

26 ~~(3) Provides all uninsured children living in California, from~~
27 ~~birth to 18 years of age, access to comprehensive health care~~
28 ~~coverage that their families can afford.~~

29 (3) *Ensure that currently insured children keep their coverage*
30 *and protect children from losing coverage by doing all of the*
31 *following:*

32 *(A) Eliminating semi-annual reporting requirements and*
33 *reinstating 12-month continuous eligibility for children in the*
34 *Medi-Cal program.*

35 *(B) Keeping family contributions required under the Healthy*
36 *Families Program affordable.*

37 *(C) Implementing existing laws that simplify the application*
38 *and renewal processes for the Medi-Cal program and the Healthy*
39 *Families Program.*

1 (4) ~~Establishes~~ *Establish*, in a timely manner, a statewide system
2 *of transition* to prevent children covered by CHIs from losing that
3 coverage.

4 (5) *Provide for a smooth transition to a statewide health care*
5 *coverage system for all children.*

6 ~~(5) Builds~~

7 (6) *Build* upon the successful outreach and enrollment strategies
8 of the Healthy Families Program, the Medi-Cal program, and CHIs,
9 and ~~improves~~ *improve the* state insurance programs' operations to
10 enroll all eligible children, including modernizing and simplifying
11 the enrollment and renewal processes.

12 ~~(6) Provides for a smooth transition to a statewide health care~~
13 ~~coverage system for all children.~~

14 ~~(7) Ensures a plan for sustainable financing that supports the~~
15 ~~statewide programs over the long term, including maximizing~~
16 ~~federal funding for those programs.~~

17 (7) *Support local outreach efforts that find and enroll children*
18 *into the programs for which they are eligible, restore funding for*
19 *county outreach and enrollment plans, and broaden the outreach*
20 *approach of those plans to all California counties.*

21 (8) *Implement a plan for sustainable financing that supports*
22 *the statewide programs over the long term.*

23 (9) *Implement this act in a manner that maximizes, and does*
24 *not reduce, federal matching funds made available to the state for*
25 *children's health care coverage under Titles XIX and XXI of the*
26 *Social Security Act, and any other federal funding made available*
27 *through federal economic stimulus legislation, health reform*
28 *legislation, or any other means.*

29 (10) *Work with California businesses to develop creative*
30 *solutions to help businesses do what they can to cover more*
31 *dependent children.*

32 (11) *Ensure that all California residents have access to*
33 *affordable health care coverage by January 1, 2012.*

34 (12) *Establish a fund to protect existing state health insurance*
35 *for children and to assist in funding a phased-in statewide health*
36 *care coverage system for all children and link the changes made*
37 *by this act to that fund. It is the intent of the Legislature that the*
38 *fund include private funds and other federal funds made newly*
39 *available to California for the purpose of children's health care.*

1 (c) *It is further the intent of the Legislature to enact subsequent*
2 *legislation that would accomplish both of the following:*

3 (1) *Implement new strategies and tools made available through*
4 *federal health reform legislation or other means to maximize the*
5 *enrollment of eligible children in health care coverage.*

6 (2) *Build on the successful implementation of this act and expand*
7 *access to affordable health care coverage for uninsured parents*
8 *and adults.*

9 SEC. 2. *Section 123870 of the Health and Safety Code is*
10 *amended to read:*

11 123870. (a) The department shall establish standards of
12 financial eligibility for treatment services under the California
13 Children's Services Program (CCS program).

14 (1) (A) Financial eligibility for treatment services under this
15 program shall be limited to persons in ~~families with an adjusted~~
16 ~~gross income of a family with an annual income, or the equivalent~~
17 ~~monthly income, that is equal to or less than forty thousand dollars~~
18 ~~(\$40,000) or less in the most recent tax year, as calculated for~~
19 ~~California state income tax purposes that meets the income~~
20 ~~eligibility requirements for the Healthy Families Program (Part~~
21 ~~6.2 (commencing with Section 12639) of Division 2 of the~~
22 ~~Insurance Code), as set forth in clause (i) of subparagraph (A) of~~
23 ~~paragraph (5) of subdivision (a) of Section 12693.70 of the~~
24 ~~Insurance Code. However the director may authorize treatment~~
25 ~~services for persons in families with higher incomes if the estimated~~
26 ~~cost of care to the family in one year is expected to exceed 20~~
27 ~~percent of the family's annual or monthly income. When calculating~~
28 ~~annual or monthly income under this paragraph, any income~~
29 ~~deduction that is applicable to a child under the Medi-Cal program~~
30 ~~shall be applied in determining the annual or monthly household~~
31 ~~income for eligibility under the CCS program.~~¶

32 (B) ~~If a person is enrolled in the Healthy Families Program (Part~~
33 ~~6.2 (commencing with Section 12693) of Division 2 of the~~
34 ~~Insurance Code), the financial documentation required for that~~
35 ~~program in Section 2699.6600 of Title 10 of the California Code~~
36 ~~of Regulations may be used instead of the person's California state~~
37 ~~income tax return. However, the director may authorize treatment~~
38 ~~services for persons in families with higher incomes if the estimated~~
39 ~~cost of care to the family in one year is expected to exceed 20~~
40 ~~percent of the family's adjusted gross income.~~

1 (2) Children enrolled in *either* the Healthy Families Program
2 *or the Healthy Families Buy-In Program* who have a CCS program
3 eligible medical condition under Section 123830, and whose
4 families do not meet the financial eligibility requirements of
5 paragraph (1), shall be deemed financially eligible for CCS
6 program benefits.

7 (b) Necessary medical therapy treatment services under the
8 California Children's Services Program rendered in the public
9 schools shall be exempt from financial eligibility standards and
10 enrollment fee requirements for the services when rendered to any
11 handicapped child whose educational or physical development
12 would be impeded without the services.

13 (c) All counties shall use the uniform standards for financial
14 eligibility and enrollment fees established by the department. All
15 enrollment fees shall be used in support of the California Children's
16 Services Program.

17 (d) Annually, every family with a child eligible to receive
18 services under this article shall pay a fee of twenty dollars (\$20),
19 that shall be in addition to any other program fees for which the
20 family is liable. This assessment shall not apply to any child who
21 is eligible for ~~full-scope~~ *full-scope* Medi-Cal benefits without a
22 share of cost, for children receiving therapy through the California
23 Children's Services Program as a related service in their
24 individualized education plans, for children from families having
25 incomes of less than 100 percent of the federal poverty level, or
26 for children covered under the Healthy Families Program *or the*
27 *Healthy Families Buy-In Program*.

28 *SEC. 3. Section 123955 of the Health and Safety Code is*
29 *amended to read:*

30 123955. (a) The state and the counties shall share in the cost
31 of administration of the California Children's Services Program
32 at the local level.

33 (b) (1) The director shall adopt regulations establishing
34 minimum standards for the administration, staffing, and local
35 implementation of this article subject to reimbursement by the
36 state.

37 (2) The standards shall allow necessary flexibility in the
38 administration of county programs, taking into account the
39 variability of county needs and resources, and shall be developed
40 and revised jointly with state and county representatives.

1 (c) The director shall establish minimum standards for
2 administration, staffing and local operation of the program subject
3 to reimbursement by the state.

4 (d) Until July 1, 1992, reimbursable administrative costs, to be
5 paid by the state to counties, shall not exceed 4.1 percent of the
6 gross total expenditures for diagnosis, treatment and therapy by
7 counties as specified in Section 123940.

8 (e) Beginning July 1, 1992, this subdivision shall apply with
9 respect to all of the following:

10 (1) (A) Counties shall be reimbursed by the state for 50 percent
11 of the amount required to meet state administrative standards for
12 that portion of the county caseload under this article that is
13 ineligible for Medi-Cal to the extent funds are available in the state
14 budget for the California Children's Services Program.

15 (B) *Commencing January 1, 2010, counties shall be reimbursed*
16 *by the state for 100 percent of the amount required to meet state*
17 *administrative standards for that portion of the county caseload*
18 *under this article that provides services to children enrolled in the*
19 *Healthy Families Buy-In Program.*

20 (2) On or before September 15 of each year, each county
21 program implementing this article shall submit an application for
22 the subsequent fiscal year that provides information as required
23 by the state to determine if the county administrative staff and
24 budget meet state standards.

25 (3) The state shall determine the maximum amount of state
26 funds available for each county from state funds appropriated for
27 CCS county administration. If the amount appropriated for any
28 fiscal year in the Budget Act for county administration under this
29 article differs from the amounts approved by the department, each
30 county shall submit a revised application in a form and at the time
31 specified by the department.

32 (f) The department and counties shall maximize the use of
33 federal funds for administration; of the programs implemented
34 pursuant to this article, including using state and county funds to
35 match funds claimable under Title 19 of the Social Security Act.

36 *SEC. 4. Section 12693.43 of the Insurance Code is amended*
37 *to read:*

38 12693.43. (a) Applicants applying to the purchasing pool shall
39 agree to pay family contributions, unless the applicant has a family

1 contribution sponsor. Family contribution amounts consist of the
2 following two components:

3 (1) The flat fees described in subdivision (b) or (d).

4 (2) Any amounts that are charged to the program by participating
5 health, dental, and vision plans selected by the applicant that exceed
6 the cost to the program of the highest cost ~~Family Value Package~~
7 *family value package* in a given geographic area.

8 (b) In each geographic area, the board shall designate one or
9 more ~~Family Value Packages~~ *family value packages* for which the
10 required total family contribution is:

11 (1) Seven dollars (\$7) per child with a maximum required
12 contribution of fourteen dollars (\$14) per month per family for
13 applicants with annual household incomes up to and including 150
14 percent of the federal poverty level.

15 (2) Nine dollars (\$9) per child with a maximum required
16 contribution of twenty-seven dollars (\$27) per month per family
17 for applicants with annual household incomes greater than 150
18 percent and up to and including 200 percent of the federal poverty
19 level and for applicants on behalf of children described in clause
20 (ii) of subparagraph (A) of paragraph ~~(6)~~ (5) of subdivision (a) of
21 Section 12693.70. Commencing the first day of the fifth month
22 following the enactment of the 2008–09 Budget Act, the family
23 contribution pursuant to this paragraph shall be twelve dollars
24 (\$12) per child with a maximum required contribution of thirty-six
25 dollars (\$36) per month per family.

26 (3) (A) On and after July 1, 2005, fifteen dollars (\$15) per child
27 with a maximum required contribution of forty-five dollars (\$45)
28 per month per family for applicants with annual household income
29 to which subparagraph (B) of paragraph ~~(6)~~ (5) of subdivision (a)
30 of Section 12693.70 is applicable. Notwithstanding any other
31 provision of law, if an application with an effective date prior to
32 July 1, 2005, was based on annual household income to which
33 subparagraph (B) of paragraph ~~(6)~~ (5) of subdivision (a) of Section
34 12693.70 is applicable, then this subparagraph shall be applicable
35 to the applicant on July 1, 2005, unless subparagraph (B) of
36 paragraph ~~(6)~~ (5) of subdivision (a) of Section 12693.70 is no
37 longer applicable to the relevant family income. The program shall
38 provide prior notice to any applicant for currently enrolled
39 subscribers whose premium will increase on July 1, 2005, pursuant
40 to this subparagraph and, prior to the date the premium increase

1 takes effect, shall provide that applicant with an opportunity to
2 demonstrate that subparagraph (B) of paragraph~~(6)~~ (5) of
3 subdivision (a) of Section 12693.70 is no longer applicable to the
4 relevant family income.

5 (B) Commencing the first day of the fifth month following the
6 enactment of the 2008–09 Budget Act, the family contribution
7 pursuant to this paragraph shall be seventeen dollars (\$17) per
8 child with a maximum required contribution of fifty-one dollars
9 (\$51) per month per family.

10 (4) *Applicants on behalf of children with an annual or monthly*
11 *household income to which subparagraph (C) of paragraph (5)*
12 *of subdivision (a) of Section 12693.70 is applicable shall be*
13 *required to make family contributions at 150 percent of the*
14 *contributions required for children who are enrolled in the*
15 *program whose annual or monthly household incomes are greater*
16 *than 200 percent but less than or equal to 250 percent of the*
17 *federal poverty level.*

18 (c) Combinations of health, dental, and vision plans that are
19 more expensive to the program than the highest cost ~~Family Value~~
20 ~~Package~~ family value package may be offered to and selected by
21 applicants. However, the cost to the program of those combinations
22 that exceeds the price to the program of the highest cost ~~Family~~
23 ~~Value Package~~ family value package shall be paid by the applicant
24 as part of the family contribution.

25 (d) The board shall provide a family contribution discount to
26 those applicants who select the health plan in a geographic area
27 that has been designated as the Community Provider Plan. The
28 discount shall reduce the portion of the family contribution
29 described in subdivision (b) to the following:

30 (1) A family contribution of four dollars (\$4) per child with a
31 maximum required contribution of eight dollars (\$8) per month
32 per family for applicants with annual household incomes up to and
33 including 150 percent of the federal poverty level.

34 (2) Six dollars (\$6) per child with a maximum required
35 contribution of eighteen dollars (\$18) per month per family for
36 applicants with annual household incomes greater than 150 percent
37 and up to and including 200 percent of the federal poverty level
38 and for applicants on behalf of children described in clause (ii) of
39 subparagraph (A) of paragraph~~(6)~~ (5) of subdivision (a) of Section
40 12693.70. Commencing the first day of the fifth month following

the enactment of the 2008–09 Budget Act, the family contribution pursuant to this paragraph shall be nine dollars (\$9) per child with a maximum required contribution of twenty-seven dollars (\$27) per month per family.

(3) (A) On and after July 1, 2005, twelve dollars (\$12) per child with a maximum required contribution of thirty-six dollars (\$36) per month per family for applicants with annual household income to which subparagraph (B) of paragraph~~(6)~~ (5) of subdivision (a) of Section 12693.70 is applicable. Notwithstanding any other provision of law, if an application with an effective date prior to July 1, 2005, was based on annual household income to which subparagraph (B) of paragraph~~(6)~~ (5) of subdivision (a) of Section 12693.70 is applicable, then this subparagraph shall be applicable to the applicant on July 1, 2005, unless subparagraph (B) of paragraph~~(6)~~ (5) of subdivision (a) of Section 12693.70 is no longer applicable to the relevant family income. The program shall provide prior notice to any applicant for currently enrolled subscribers whose premium will increase on July 1, 2005, pursuant to this subparagraph and, prior to the date the premium increase takes effect, shall provide that applicant with an opportunity to demonstrate that subparagraph (B) of paragraph~~(6)~~ (5) of subdivision (a) of Section 12693.70 is no longer applicable to the relevant family income.

(B) Commencing the first day of the fifth month following the enactment of the 2008–09 Budget Act, the family contribution pursuant to this paragraph shall be fourteen dollars (\$14) per child with a maximum required contribution of forty-two dollars (\$42) per month per family.

(4) The premium discounts available to children enrolled in the program whose families have annual or monthly household incomes greater than 200 percent of the federal poverty level but less than or equal to 250 percent of the federal poverty level shall be available on the same terms to children enrolled in the program whose families' annual or monthly household incomes are greater than 250 percent of the federal poverty level but less than or equal to 300 percent of the federal poverty level.

(e) Applicants, but not family contribution sponsors, who pay three months of required family contributions in advance shall receive the fourth consecutive month of coverage with no family contribution required.

(f) Applicants, but not family contribution sponsors, who pay the required family contributions by an approved means of electronic fund transfer shall receive a 25-percent discount from the required family contributions.

(g) It is the intent of the Legislature that the family contribution amounts described in this section comply with the premium cost sharing limits contained in Section 2103 of Title XXI of the Social Security Act. If the amounts described in subdivision (a) are not approved by the federal government, the board may adjust these amounts to the extent required to achieve approval of the state plan.

(h) The adoption and one readoption of regulations to implement paragraph (3) of subdivision (b) and paragraph (3) of subdivision (d) shall be deemed to be an emergency and necessary for the immediate preservation of public peace, health, and safety, or general welfare for purposes of Sections 11346.1 and 11349.6 of the Government Code, and the board is hereby exempted from the requirement that it describe specific facts showing the need for immediate action and from review by the Office of Administrative Law. For ~~purpose~~ *purposes* of subdivision (e) of Section 11346.1 of the Government ~~code~~ *Code*, the 120-day period, as applicable to the effective period of an emergency regulatory action and submission of specified materials to the Office of Administrative ~~law~~ *Law*, is hereby extended to 180 days.

(i) The board may adopt, and may only one-time readopt, regulations to implement the changes to this section that are effective the first day of the fifth month following the enactment of the 2008–09 Budget Act. The adoption and one-time readoption of a regulation authorized by this section is deemed to address an emergency, for purposes of Sections 11346.1 and 11349.6 of the Government Code, and the board is hereby exempted for this purpose from the requirements of subdivision (b) of Section 11346.1 of the Government Code.

SEC. 5. Section 12693.55.1 is added to the Insurance Code, to read:

12693.55.1. The board and the State Department of Health Care Services shall maximize federal matching funds available under the program and the Medi-Cal program and shall implement strategies that coordinate and integrate other programs that provide health care coverage for children to maximize federal

1 *matching funds, such as matching funds available for emergency*
2 *or pregnancy-related benefits under the Medi-Cal program for all*
3 *eligible children.*

4 *SEC. 6. Section 12693.56 is added to the Insurance Code, to*
5 *read:*

6 *12693.56. (a) Every person administering or providing benefits*
7 *under the program shall perform his or her duties in such a manner*
8 *as to secure for every subscriber the amount of assistance to which*
9 *the subscriber is entitled, without attempting to elicit any*
10 *information that is not required to carry out the provisions of the*
11 *law applicable to the program.*

12 *(b) All types of information, whether written or oral, concerning*
13 *an applicant, subscriber, or household member of the subscriber*
14 *or applicant, made or kept by any public officer or agency in*
15 *connection with the administration of any provision of this part*
16 *shall be confidential and shall not be open to examination other*
17 *than for purposes directly connected with the administration of*
18 *the program or the Medi-Cal program.*

19 *(c) Except as provided in this section and to the extent permitted*
20 *by federal law or regulation, all information concerning an*
21 *applicant, subscriber, or a household member of the subscriber*
22 *or applicant to be safeguarded as provided in subdivision (b)*
23 *includes, but is not limited to, names and addresses, medical*
24 *services provided, social and economic conditions or*
25 *circumstances, agency evaluation of personal information, and*
26 *medical data, including diagnosis and past history of disease or*
27 *disability.*

28 *(d) For purposes of this section, “purposes directly connected*
29 *with the administration of the program or the Medi-Cal program”*
30 *include, but are not limited to, all activities and responsibilities*
31 *that the board or the State Department of Health Care Services*
32 *and their agents, officers, trustees, employees, consultants, and*
33 *contractors undergo in order to conduct operations of the program*
34 *and the Medi-Cal program.*

35 *(e) Nothing in this section shall be construed to prohibit the*
36 *disclosure of information about the applicant, subscriber, or*
37 *household member of the subscriber or applicant if the person to*
38 *whom the information pertains or the parent or adult with legal*
39 *custody of that person provides express written authorization for*
40 *the disclosure.*

1 (f) Nothing in this section shall prohibit the disclosure of
2 protected health information as provided in Section 164.512 of
3 Title 45 of the Code of Federal Regulations.

4 (g) Nothing in this section shall preclude the board from
5 soliciting voluntary participation by applicants and subscribers
6 in communicating with the board, or with any other party,
7 concerning their needs as well as the needs of others who are not
8 adequately covered by existing private and public health care
9 delivery systems or concerning the means of ensuring the
10 availability of adequate health care services. The board shall
11 inform applicants and subscribers that their participation is
12 voluntary and shall inform them of the uses for which the
13 information is intended.

14 SEC. 7. Section 12693.57 is added to the Insurance Code, to
15 read:

16 12693.57. (a) Upon implementation of subdivision (a) of
17 Section 14005.26 of the Welfare and Institutions Code and
18 paragraph (1) of subdivision (a) of Section 12693.701, the board
19 and the State Department of Health Care Services, in consultation
20 with stakeholders, shall develop a process for the transition of
21 eligible children from local children's health initiatives to the
22 Medi-Cal program and to the Healthy Families Program, ensuring
23 that all eligible children are transferred without a disruption in
24 coverage. The involved stakeholders shall include, but shall not
25 be limited to, local children's health initiative program officials,
26 children's advocates, consumer advocates, legislative staff,
27 counties, and others as appropriate.

28 (b) The process developed pursuant to subdivision (a) shall
29 include the provision of training on the transfer of children and
30 their coverage for local eligibility workers, Certified Application
31 Assistors, and other local children's health initiative organizations
32 assisting this population.

33 (c) The transition described in subdivision (a) shall only occur
34 after the board has implemented the confidentiality and privacy
35 standards pursuant to Section 12693.56 and the board and
36 department have implemented the other functions necessary to
37 operate the eligibility expansion pursuant to Sections 12693.43,
38 12693.70, 12693.701, and 12693.76, and Sections 14005.23 and
39 14005.26 of the Welfare and Institutions Code.

(d) Notwithstanding Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code, the board and department may issue regulations, all-county letters, or similar instructions, as necessary pursuant to the Administrative Procedure Act, to implement this section. The adoption and readoption of regulations pursuant to this section shall be deemed to be an emergency and necessary for the immediate preservation of public peace, health and safety, or general welfare.

SEC. 8. Section 12693.70 of the Insurance Code is amended to read:

12693.70. To be eligible to participate in the program, an applicant shall meet all of the following requirements:

(a) Be an applicant applying on behalf of an eligible child, which means a child who is all of the following:

(1) Less than 19 years of age. An application may be made on behalf of a child not yet born up to three months prior to the expected date of delivery. Coverage shall begin as soon as administratively feasible, as determined by the board, after the board receives notification of the birth. However, no child less than 12 months of age shall be eligible for coverage until 90 days after the enactment of the Budget Act of 1999.

(2) Not eligible for no-cost full-scope Medi-Cal or Medicare coverage at the time of application.

(3) In compliance with Sections 12693.71 and 12693.72.

~~(4) A child who meets citizenship and immigration status requirements that are applicable to persons participating in the program established by Title XXI of the Social Security Act, except as specified in Section 12693.76.~~

~~(5)~~

(4) A resident of the State of California pursuant to Section 244 of the Government Code; or, if not a resident pursuant to Section 244 of the Government Code, is physically present in California and entered the state with a job commitment or to seek employment, whether or not employed at the time of application to or after acceptance in, the program.

~~(6)~~

(5) (A) In either of the following:

(i) In a family with an annual or monthly household income equal to or less than 200 percent of the federal poverty level.

(ii) When implemented by the board, subject to subdivision (b) of Section 12693.765 and pursuant to this section, a child under the age of two years who was delivered by a mother enrolled in the Access for Infants and Mothers Program as described in Part 6.3 (commencing with Section 12695). Commencing July 1, 2007, eligibility under this subparagraph shall not include infants during any time they are enrolled in employer-sponsored health insurance or are subject to an exclusion pursuant to Section 12693.71 or 12693.72, or are enrolled in the full scope of benefits under the Medi-Cal program at no share of cost. For purposes of this clause, any infant born to a woman whose enrollment in the Access for Infants and Mothers Program begins after June 30, 2004, shall be automatically enrolled in the Healthy Families Program, except during any time on or after July 1, 2007, that the infant is enrolled in employer-sponsored health insurance or is subject to an exclusion pursuant to Section 12693.71 or 12693.72, or is enrolled in the full scope of benefits under the Medi-Cal program at no share of cost. Except as otherwise specified in this section, this enrollment shall cover the first 12 months of the infant's life. At the end of the 12 months, as a condition of continued eligibility, the applicant shall provide income information. The infant shall be disenrolled if the gross annual household income exceeds the income eligibility standard that was in effect in the Access for Infants and Mothers Program at the time the infant's mother became eligible, or following the two-month period established in Section 12693.981 if the infant is eligible for Medi-Cal with no share of cost. At the end of the second year, infants shall again be screened for program eligibility pursuant to this section, with income eligibility evaluated pursuant to clause (i), subparagraphs (B) and (C), and paragraph (2) of subdivision (a).

(B) All income over 200 percent of the federal poverty level but less than or equal to 250 percent of the federal poverty level shall be disregarded in calculating annual or monthly household income.

(C) All income over 250 percent of the federal poverty level but less than or equal to 300 percent of the federal poverty level shall be disregarded in calculating annual or monthly household income.

~~(C)~~

(D) In a family with an annual or monthly household income greater than ~~250~~ 300 percent of the federal poverty level, any

1 income deduction that is applicable to a child under Medi-Cal shall
2 be applied in determining the annual or monthly household income.
3 If the income deductions reduce the annual or monthly household
4 income to ~~250~~ 300 percent or less of the federal poverty level,
5 subparagraph ~~(B)~~ (C) shall be applied.

6 (b) The applicant shall agree to remain in the program for six
7 months, unless other coverage is obtained and proof of the coverage
8 is provided to the program.

9 (c) An applicant shall enroll all of the applicant's eligible
10 children in the program.

11 (d) In filing documentation to meet program eligibility
12 requirements, if the applicant's income documentation cannot be
13 provided, as defined in regulations promulgated by the board, the
14 applicant's signed statement as to the value or amount of income
15 shall be deemed to constitute verification.

16 (e) An applicant shall pay in full any family contributions owed
17 in arrears for any health, dental, or vision coverage provided by
18 the program within the prior 12 months.

19 (f) By January 2008, the board, in consultation with
20 stakeholders, shall implement processes by which applicants for
21 subscribers may certify income at the time of annual eligibility
22 review, including rules concerning which applicants shall be
23 permitted to certify income and the circumstances in which
24 supplemental information or documentation may be required. The
25 board may terminate using these processes not sooner than 90 days
26 after providing notification to the Chair of the Joint Legislative
27 Budget Committee. This notification shall articulate the specific
28 reasons for the termination and shall include all relevant data
29 elements that are applicable to document the reasons for the
30 termination. Upon the request of the Chair of the Joint Legislative
31 Budget Committee, the board shall promptly provide any additional
32 clarifying information regarding implementation of the processes
33 required by this subdivision.

34 (g) *By July 1, 2011, the board, in consultation with stakeholders,*
35 *including, but not limited to, consumer advocates, shall do all of*
36 *the following:*

37 (1) *Implement a process by which applicants self-certify income*
38 *and income deductions at the time of initial application. The board*
39 *shall request documentation and verify that information only to*
40 *the extent required under federal law.*

1 (2) *Simplify the annual renewal forms for children enrolled in*
2 *the program, including forms prepopulated with all of the family's*
3 *eligibility information and a simple check-off list for families to*
4 *identify whether each eligibility information item remains correct.*
5 *The renewal form shall request families to provide and certify with*
6 *their signature any changes to the prepopulated eligibility*
7 *information form.*

8 (3) *Establish a process to allow families to renew their child's*
9 *coverage by telephone.*

10 SEC. 9. *Section 12693.701 is added to the Insurance Code, to*
11 *read:*

12 12693.701. (a) (1) *On and after January 1, 2010, children*
13 *under 19 years of age who meet the state residency requirements*
14 *of the Medi-Cal program or the Healthy Families Program shall*
15 *be eligible for health care coverage in accordance with subdivision*
16 *(b) if they satisfy either of the following criteria:*

17 (A) *Live in families with countable household income at or*
18 *below 300 percent of the federal poverty level.*

19 (B) *Meet the income requirements of Section 14005.7 of the*
20 *Welfare and Institutions Code or the income and resource*
21 *requirements of Section 14005.30 of the Welfare and Institutions*
22 *Code.*

23 (2) *The eligibility under paragraph (1) includes for both*
24 *programs all children for whom federal financial participation*
25 *under Title XIX of the federal Social Security Act (42 U.S.C. Sec.*
26 *1396 et seq.), or under Title XXI of the federal Social Security Act*
27 *(42 U.S.C. Sec. 1397aa et seq.) is not available because of their*
28 *immigration status or date of entry into the United States, but does*
29 *not include children who are ineligible for funds under those titles*
30 *for other reasons.*

31 (b) *Children described in subdivision (a) in families whose*
32 *household income would make them ineligible for the Medi-Cal*
33 *program with no share of cost or for Medicare, and who are in*
34 *compliance with Sections 12693.71 and 12693.72, shall be eligible*
35 *for the Healthy Families Program and shall also be eligible for*
36 *the Medi-Cal program with a share of cost in accordance with*
37 *Section 14005.7 of the Welfare and Institutions Code. The*
38 *remaining children described in subdivision (a) shall be eligible*
39 *for the Medi-Cal program with no share of cost.*

1 (c) *Nothing in this section shall be construed to authorize the*
2 *denial or reduction of medical assistance under the Medi-Cal*
3 *program (Chapter 7 (commencing with Section 14000) of Part 3*
4 *of Division 9 of the Welfare and Institutions Code) or the Healthy*
5 *Families Program to a person who, without the application of this*
6 *section, would qualify for that assistance or to relieve the Medi-Cal*
7 *program of the obligation to determine eligibility on all other*
8 *available grounds.*

9 *SEC. 10. Section 12693.73 of the Insurance Code is amended*
10 *to read:*

11 12693.73. Notwithstanding any other provision of law, children
12 excluded from coverage under Title XXI of the Social Security
13 Act are not eligible for coverage under the program, except as
14 specified in clause (ii) of subparagraph (A) of paragraph ~~(6)~~ (5)
15 of subdivision (a) of Section 12693.70, *Section 12693.70I*, and
16 Section 12693.76.

17 *SEC. 11. Section 12693.76 of the Insurance Code is amended*
18 *to read:*

19 12693.76. (a) Notwithstanding any other provision of law, a
20 ~~child who is a qualified alien as defined in Section 1641 of Title~~
21 ~~8 of the United States Code Annotated~~ shall not be determined
22 ineligible solely on the basis of his or her *immigration status or*
23 *date of entry into the United States.*

24 (b) Notwithstanding any other provision of law, subdivision (a)
25 may only be implemented to the extent provided in the annual
26 Budget Act.

27 (c) Notwithstanding any other provision of law, ~~any~~ *an*
28 uninsured parent or responsible adult who is a qualified alien, as
29 defined in Section 1641 of Title 8 of the United States Code, shall
30 not be determined to be ineligible solely on the basis of his or her
31 date of entry into the United States.

32 (d) Notwithstanding any other provision of law, subdivision (c)
33 may only be implemented to the extent of funding provided in the
34 annual Budget Act.

35 *SEC. 12. Section 12693.983 is added to the Insurance Code,*
36 *to read:*

37 12693.983. (a) *On and after January 1, 2010, the board and*
38 *the State Department of Health Care Services shall monitor the*
39 *Healthy Families Presumptive Eligibility Program established*
40 *under Section 12693.98a and the program of presumptive eligibility*

1 *(Healthy Families to Medi-Cal Presumptive Eligibility Program)*
2 *established under Section 14011.65b of the Welfare and Institutions*
3 *Code in order to ensure that all children are enrolled in a timely*
4 *manner in the presumptive eligibility benefits for which they are*
5 *eligible.*

6 *(b) The monitoring responsibilities required by this section shall*
7 *consist of the following activities:*

8 *(1) The board and the department shall collect and make*
9 *publicly available on their respective Internet Web sites, the*
10 *following data on a quarterly basis:*

11 *(A) The number of children enrolled in the Healthy Families*
12 *Presumptive Eligibility Program and the number of children*
13 *enrolled in the Healthy Families to Medi-Cal Presumptive*
14 *Eligibility Program.*

15 *(B) The length of time these children were enrolled in each*
16 *program.*

17 *(C) The status of the children enrolled in each program,*
18 *including a status report for each child enrolled more than one*
19 *month in the Healthy Families Presumptive Eligibility Program*
20 *and more than two months in the Healthy Families to Medi-Cal*
21 *Presumptive Eligibility Program.*

22 *(2) The board and the department shall record all attempts to*
23 *assist the child to enroll in ongoing health benefits programs and*
24 *shall record the final disposition of the child's application for*
25 *continuing health care coverage.*

26 *(c) The department shall work with the board, counties, and*
27 *client advocates to document and identify barriers to timely*
28 *eligibility determination and discontinuance of accelerated benefits*
29 *for children and to implement methods to overcome those barriers.*
30 *The department, in consultation with the board, counties, and*
31 *client advocates, shall provide written recommendations to the*
32 *Secretary of California Health and Human Services on how to*
33 *ensure timely eligibility determinations for children enrolled in*
34 *accelerated enrollment and presumptive eligibility programs and*
35 *shall work with stakeholders and consumer advocates to implement*
36 *those recommendations.*

37 *SEC. 13. Section 12694 of the Insurance Code is amended to*
38 *read:*

39 *12694. (a) The board and the department, in collaboration*
40 *with program offices for the California Special Supplemental Food*

1 Program for Women, Infants, and Children (WIC or the WIC
2 program), local WIC agencies, counties in their capacity of making
3 Medi-Cal eligibility determinations, advocates, information
4 technology specialists, and other stakeholders, shall design,
5 promulgate, and implement policies and procedures for an
6 automated enrollment gateway system developed by the department
7 and the board that performs, but is not limited to performing, the
8 following functions:

9 (1) To the extent that federal financial participation is available,
10 allowing children applying to the WIC program to submit a simple
11 electronic application to simultaneously obtain presumptive
12 eligibility for *the Medi-Cal program* and *the Healthy Families*
13 *Program* under Title XIX ~~(42)~~ (42 U.S.C. Sec. 1396 et seq.) and
14 Title XXI (42 U.S.C. Sec. 1397aa et seq.) of the Social Security
15 Act and apply for enrollment into the Medi-Cal program or the
16 Healthy Families Program with the consent of their parent or
17 guardian.

18 (2) Modify the existing WIC enrollment system to obtain the
19 minimum required data for enrollment in *the Medi-Cal program*
20 and *the Healthy Families Program* in order to provide an electronic
21 transactional platform that is connected to the simple electronic
22 application referenced in paragraph (1) and allowing for an
23 interface between that application, the Medi-Cal Eligibility Data
24 System (MEDS), and the Medi-Cal program or the Healthy
25 Families Program, as relevant.

26 (3) Providing an automated real-time connection with MEDS
27 for the purpose of checking an applicant's enrollment status.

28 (4) Allowing for the electronic transfer of information to the
29 Medi-Cal program or the Healthy Families Program, as relevant,
30 for the purpose of making the final eligibility determination.

31 (5) Checking, as relevant, available government databases for
32 the purpose of electronically receiving information that is necessary
33 to allow the Medi-Cal program or the Healthy Families Program
34 to complete the eligibility determination. The department and the
35 Managed Risk Medical Insurance Board shall comply with all
36 applicable privacy and confidentiality provisions under federal
37 and state law.

38 (b) The automated enrollment gateway system shall be
39 constructed with the capacity to be used by entities operating the
40 WIC program. *Those WIC local agencies that serve a large number*

1 *of participants and those that serve a high proportion of uninsured*
2 *participants, at levels designated by the entities provided for in*
3 *subdivision (a), shall be required to use the automated enrollment*
4 *gateway system to the extent funding provided in subdivision (k)*
5 *is sufficient to accomplish the tasks of participation. All other WIC*
6 *local agencies may use the WIC gateway system at their option.*

7 (c) The WIC application process shall be modified to provide
8 an electronic application described in subdivision (a), which shall
9 contain the information necessary to apply for the automated
10 enrollment gateway system, supplemented by information required
11 to apply for enrollment into the Medi-Cal program or the Healthy
12 Families Program.

13 (d) Benefits for applicants opting to simultaneously obtain
14 presumptive eligibility for enrollment under this section shall
15 continue until a final eligibility determination is made for the
16 Medi-Cal program or the Healthy Families Program pursuant to
17 Section 14011.8 of the Welfare and Institutions Code.

18 (e) Operation of the automated enrollment gateway system for
19 the WIC program shall occur within a timely and appropriate period
20 as determined by the department and the board, in consultation
21 with the stakeholders as provided in subdivision (a) subject to a
22 specific appropriation being provided for that purpose in the Budget
23 Act or in subsequent legislation. The automated enrollment
24 gateway system shall comply with all applicable confidentiality
25 and privacy protection in federal and state law and regulation.

26 (f) The WIC program shall collect income and residency
27 information necessary for the Medi-Cal program and the Healthy
28 Families Program documentation requirements for applications
29 submitted through the automated enrollment gateway system. To
30 the extent allowed by the federal government, the Medi-Cal and
31 Healthy Families programs shall rely on income information
32 obtained by WIC and upon the income verification process
33 performed by WIC. The Medi-Cal and Healthy Families programs
34 shall collect and verify citizenship and immigration information
35 as required under those programs.

36 (g) Consistent with the provisions of this section, the Medi-Cal
37 and Healthy Families programs may collect additional information
38 needed to verify eligibility in those programs.

39 (h) Counties shall accept and process for a Medi-Cal eligibility
40 determination applications provided by the WIC gateway system

1 and ensure timely processing of these applications and a timely
2 eligibility determination and ending of presumptive eligibility.

3 (i) The presumptive eligibility benefits provided under this
4 section shall be identical to the benefits provided to children who
5 receive full-scope Medi-Cal benefits without a share of cost, and
6 shall only be made available through a Medi-Cal provider.

7 (j) The confidentiality and privacy protections set forth in
8 Sections 10850 and 14100.2 of the Welfare and Institutions Code
9 and all other confidentiality and privacy protections in federal and
10 state law and regulation shall apply to all children and families
11 using the automated enrollment gateway system as described in
12 this section.

13 (k) The state shall promote and offer support to the WIC
14 program for the use of the simple electronic application and the
15 automated enrollment gateway system. *Participation in the*
16 *automated enrollment gateway system shall be required only to*
17 *the extent that sufficient financial assistance is made available to*
18 *support the additional training, staff time, administration, and*
19 *other expenditures required by a WIC local agency to use the*
20 *gateway. This financial assistance can be made available by public*
21 *and private entities.*

22 (l) The board shall seek approval of any amendments to the
23 state plan necessary to implement this section, in accordance with
24 Title XXI (42 U.S.C. Sec. 1397aa et seq.) of the federal Social
25 Security Act.

26 (m) The department shall seek approval of any amendments to
27 the state plan necessary to implement this section, in accordance
28 with Title XIX (42 U.S.C. Sec. 1396 et seq.) of the federal Social
29 Security Act. Notwithstanding any other provision of law, only
30 when all necessary federal approvals have been obtained shall this
31 section be implemented.

32 *SEC. 14. Chapter 16.2 (commencing with Section 12694.1) is*
33 *added to Part 6.2 of Division 2 of the Insurance Code, to read:*
34

35 *CHAPTER 16.2. HEALTHY FAMILIES BUY-IN PROGRAM*
36

37 *12694.1. By July 1, 2011, the board shall implement the*
38 *Healthy Families Buy-In Program that shall be referred to as the*
39 *buy-in program for purposes of this chapter.*

1 12694.2. *A child under 19 years of age is eligible for the buy-in*
2 *program if he or she meets all of the following criteria:*

3 (a) *Lives in a family whose monthly or annual income exceeds*
4 *300 percent of the federal poverty level.*

5 (b) *Is not eligible for full-scope Medi-Cal benefits without a*
6 *share of cost or the Healthy Families Program.*

7 (c) *Has been without health care coverage for, at minimum, a*
8 *period of six consecutive months immediately preceding the date*
9 *of application for the buy-in program. Compliance with this criteria*
10 *shall be determined by the board using the same verification*
11 *procedures that it uses to verify compliance with Sections 12693.71*
12 *and 12693.72.*

13 12694.4. *The coverage for children in the buy-in program shall*
14 *be identical to the coverage for children enrolled in the Healthy*
15 *Families Program and shall include health, dental, and vision*
16 *benefits provided solely by a participating health, dental, or vision*
17 *care plan. Coverage shall also include the services provided*
18 *pursuant to the California Children's Services Program (Article*
19 *5 (commencing with Section 123800) of Chapter 3 of Part 2 of*
20 *Division 106 of the Health and Safety Code) for a child who has*
21 *been found eligible for that program.*

22 12694.5. (a) *The family of a child enrolled in the buy-in*
23 *program shall pay the board a monthly contribution amount that*
24 *include both of the following:*

25 (1) *The full cost of coverage for health, dental, and vision*
26 *benefits for a child under the Healthy Families Program.*

27 (2) *The per capita actuarial value, including medical, case*
28 *management, and administrative costs, of providing the California*
29 *Children's Services Program to a child enrolled in the buy-in*
30 *program, as calculated annually by the board in consultation with*
31 *the California Children's Services Program and the State*
32 *Department of Health Care Services.*

33 (b) *The family of a child enrolled in the buy-in program shall*
34 *receive the same discounts from their contributions under this*
35 *section as provided to applicants pursuant to paragraph (4) of*
36 *subdivision (d) of, and subdivisions (e) and (f) of, Section 12693.43*
37 *and shall be subject to the payment procedures set forth in Section*
38 *2699.6813 of Title 10 of the California Code of Regulations.*

39 12694.6. (a) *A county that determines a child ineligible for*
40 *the Medi-Cal program or for the Healthy Families Program shall*

1 *inform the applicant of the option of enrolling the child in the*
2 *buy-in program and, with the applicant's approval, shall transmit*
3 *the application to the board.*

4 *(b) If the board determines a child is ineligible for the Healthy*
5 *Families Program or the Medi-Cal program, it shall inform the*
6 *applicant of the option of enrolling the child in the buy-in program*
7 *and, with the applicant's approval, shall consider the application*
8 *for the child's eligibility for the buy-in program.*

9 *12694.7. (a) The board, in conjunction with the State*
10 *Department of Health Care Services and the California Children's*
11 *Services Program, shall study the impact of the inclusion of the*
12 *California Children's Services Program in the buy-in program on*
13 *all of the following:*

14 *(1) The enrollment of eligible children in the buy-in program.*

15 *(2) The California Children's Services Program.*

16 *(3) Buy-in program costs.*

17 *(4) Access to California Children's Services Program services*
18 *for eligible buy-in participants.*

19 *(b) The board shall provide a report to the Legislature of the*
20 *study conducted pursuant to this section, including, but not limited*
21 *to, recommendations on how to improve access to California*
22 *Children's Services Program services for children eligible for the*
23 *buy-in program.*

24 *SEC. 15. Section 14005.23 of the Welfare and Institutions Code*
25 *is amended to read:*

26 *14005.23. (a) To the extent federal financial participation is*
27 *available, the department shall, when determining eligibility for*
28 *children under Section 1396a(l)(1)(D) of Title 42 of the United*
29 *States Code, designate a birth date by which all children who have*
30 *not attained the age of 19 years will meet the age requirement of*
31 *Section 1396a(l)(1)(D) of Title 42 of the United States Code.*

32 *(b) On and after January 1, 2010, the department shall apply*
33 *the less restrictive income deduction described in Section 1396a(r)*
34 *of Title 42 of the United States Code when determining eligibility*
35 *for the children identified in Section 14005.26. The amount of this*
36 *deduction shall be the difference between 133 percent and 100*
37 *percent of the federal poverty level applicable to the size of the*
38 *family.*

39 *SEC. 16. Section 14005.26 is added to the Welfare and*
40 *Institutions Code, to read:*

1 14005.26. (a) On and after January 1, 2010, children,
2 including children for whom federal financial participation is not
3 available under Title XIX of the federal Social Security Act (42
4 U.S.C. Sec. 1396 et seq.) for full-scope coverage, who meet the
5 household income and age requirements in Section 14005.23 shall
6 be eligible to enroll in the Medi-Cal program.

7 (b) When determining the eligibility of children described in
8 subdivision (a), the department shall apply the less restrictive
9 income disregard described in Section 1396a(r) of Title 42 of the
10 United States Code. The income disregard shall be equal to the
11 difference between the income standard and the amount equal to
12 133 percent of the federal poverty level applicable to the size of
13 the family.

14 (c) Nothing in this section shall be construed to authorize the
15 denial, discontinuance, or reduction of medical assistance under
16 the Medi-Cal program or the Healthy Families Program (Part 6.2
17 commencing with Section 12693) of Division 2 of the Insurance
18 Code) to a person who qualifies for the Medi-Cal program or for
19 the Healthy Families Program, or who, without the application of
20 this section, would qualify for either program, or to relieve the
21 Medi-Cal program or the Healthy Families Program of the
22 obligation to determine eligibility on all other available grounds.

23 SEC. 17. Section 14011.01 is added to the Welfare and
24 Institutions Code, to read:

25 14011.01. By July 1, 2011, the department, in consultation
26 with stakeholders, including, but not limited to, consumer
27 advocates, shall do both of the following:

28 (a) Simplify the annual renewal forms for children enrolled in
29 the Medi-Cal program, including forms prepopulated with all of
30 the family's eligibility information and a simple check-off list for
31 families to identify whether each eligibility information item
32 remains correct. The renewal form shall request families to provide
33 and certify with their signature any changes to the prepopulated
34 eligibility information form.

35 (b) Establish a process to allow families to renew their child's
36 coverage by telephone.

37 SEC. 18. Section 14011.02 is added to the Welfare and
38 Institutions Code, to read:

39 14011.02. (a) The department, in coordination with the
40 Managed Risk Medical Insurance Board, counties, stakeholders,

1 including, but not limited to, consumer advocates, shall make
2 technological improvements to the existing eligibility determination
3 and enrollment systems for the Medi-Cal program, such as the
4 Medi-Cal Eligibility Data System (MEDS), the Statewide
5 Automated Welfare System, and the Healthy Families Program
6 based on the guidelines set forth in subdivisions (b), (c), and (d)
7 in order to better integrate the enrollment processes for those
8 programs.

9 (b) The improvements shall allow families to be screened for,
10 and with their consent to apply to, multiple programs from more
11 than one location.

12 (c) The improvements shall include, but not be limited to,
13 accomplishment of all of the following objectives:

14 (1) Promote accessible enrollment opportunities through public
15 service programs that are widely used by families, including
16 schools and other public access points, while incorporating
17 mechanisms to minimize duplicate applications and to identify
18 whether a child is currently enrolled in the Medi-Cal program,
19 the Healthy Families Program, or other coverage before
20 processing a new application.

21 (2) Eliminate all duplicative requests and requirements for
22 applications and other information and require the Managed Risk
23 Medical Insurance Board, the department, and the counties to use
24 the procedures in subdivisions (e) to (g), inclusive, of Section
25 14005.37 for all applications to minimize the burdens on families.

26 (3) Support electronic and digital signature approaches to
27 reduce the burden of the applicant appearing in person and to
28 allow the applicant to submit any application without appearing
29 in person, wherever possible.

30 (4) Eliminate all documentation requirements, other than those
31 required by federal law, and verify necessary information through
32 other available databases and through the use of the procedures
33 established in subdivisions (e) to (g), inclusive, of Section
34 14005.37.

35 (5) Promote data integrity by expanding access to and improving
36 MEDS search and file clearance functionality.

37 (6) Include the ability to obtain birth and other state maintained
38 verification documents electronically.

39 (7) Support electronic exchange of information with the
40 Statewide Automated Welfare System.

1 (8) *Guarantee privacy protections and secure information*
2 *exchange.*

3 (d) *To improve the integration and efficiency of technological*
4 *systems used by the state to operate the Medi-Cal program and*
5 *the Healthy Families Program, the department shall take the*
6 *following actions:*

7 (1) *Establish reusable service-based interfaces to allow multiple*
8 *existing enrollment systems to exchange data electronically.*

9 (2) *Support the electronic submission of verification documents*
10 *that are also available for exchange and reuse by multiple existing*
11 *enrollment systems.*

12 (3) *Develop a plan and timeline for the implementation of*
13 *technology that provides an infrastructure to allow legacy systems,*
14 *new enrollment systems, and other systems to access common*
15 *system functions, features, and rules through a central repository*
16 *of shared services.*

17 (e) *The technological improvements required by this section*
18 *shall be implemented by July 1, 2011.*

19 SEC. 19. *Section 14011.61 is added to the Welfare and*
20 *Institutions Code, to read:*

21 14011.61. (a) *To the extent allowed under Title XIX of the*
22 *federal Social Security Act (42 U.S.C. Sec. 1396 et seq.) and Title*
23 *XXI of the federal Social Security Act (42 U.S.C. Sec. 1397aa et*
24 *seq.), and to the extent federal financial participation is available*
25 *under Title XXI of the federal Social Security Act, the department*
26 *shall administer the Medi-Cal Presumptive Eligibility Program*
27 *to provide a child who meets the criteria set forth in subdivision*
28 *(d) with presumptive eligibility benefits for the period described*
29 *in this section.*

30 (b) *The department shall designate all 58 counties as qualified*
31 *entities for determining eligibility under this section.*

32 (c) *A county shall perform an initial screen of every application*
33 *for the Medi-Cal program or the Healthy Families Program that*
34 *is filed with that county. The initial screen shall be completed*
35 *within 48 hours from the time of submission of the application for*
36 *the Medi-Cal program or the Healthy Families Program.*

37 (d) *On the basis of the initial screen performed by the county,*
38 *a child who meets all of the following requirements shall be eligible*
39 *for presumptive eligibility benefits under this section:*

1 (1) The child, or his or her parent or guardian, submits an
2 application for the Medi-Cal program or the Healthy Families
3 Program with the county.

4 (2) The child's income, as screened by the county on the basis
5 of the application described in paragraph (1), appears to be within
6 the income levels necessary to establish eligibility for the Medi-Cal
7 program with no share of cost.

8 (3) The child is under 19 years of age at the time of the
9 application.

10 (4) The child is not receiving no-cost Medi-Cal benefits or
11 benefits under the Healthy Families Program at the time that the
12 application is submitted.

13 (e) When the county performs the initial screen and determines
14 that the child meets the criteria described in subdivision (d), the
15 county shall immediately establish presumptive eligibility for the
16 Medi-Cal program for that child. The presumptive eligibility
17 benefits provided under this section shall be identical to the benefits
18 provided to children who receive full-scope Medi-Cal benefits with
19 no share of cost and shall only be made available through a
20 Medi-Cal program provider.

21 (f) Once presumptive eligibility has been established, the county
22 shall continue to determine a child's eligibility for the Medi-Cal
23 program on the basis of the application submitted to it.

24 (g) The period of presumptive eligibility provided for under this
25 section begins on the first day of the month that the application is
26 filed.

27 (h) If the county determines that the child is eligible for the
28 Medi-Cal program without a share of cost, the county shall enroll
29 the child in the Medi-Cal program without an interruption in
30 coverage. If the county determines that the child is eligible for the
31 Medi-Cal program with a share of cost, the county shall enroll
32 the child in the Medi-Cal program and forward the application to
33 the Managed Risk Medical Insurance Board for an evaluation of
34 the child's eligibility for the Healthy Families Program. To ensure
35 continuity of coverage, the presumptive eligibility benefits under
36 this section shall terminate on the last day of the month that
37 precedes the month in which the child begins receiving benefits
38 under the Medi-Cal program.

39 (i) If the county determines that the child is ineligible for the
40 Medi-Cal program with or without a share of cost, the county shall

1 *terminate the child's presumptive eligibility benefits under this*
2 *section in accordance with due process requirements.*

3 *(j) The Managed Risk Medical Insurance Board and the*
4 *department, in consultation with counties, consumer advocates,*
5 *and other stakeholders, shall develop a notice to inform families*
6 *of the transfer of a case between the Medi-Cal program and the*
7 *Healthy Families Program and from presumptive eligibility benefits*
8 *to benefits under one of those programs, to minimize the confusion*
9 *for the family, to clarify that coverage is continued during the*
10 *transfer, and to provide the family with contact information*
11 *advising the family where to ask questions about continuity of*
12 *coverage and access to care.*

13 *(k) Notwithstanding Chapter 3.5 (commencing with Section*
14 *11340) of Part 1 of Division 3 of Title 2 of the Government Code,*
15 *the department shall implement this section by means of all-county*
16 *letters or similar instructions, without taking any further regulatory*
17 *action. Thereafter, the department shall adopt regulations, as*
18 *necessary, to implement this section in accordance with the*
19 *requirements of Chapter 3.5 (commencing with Section 11340) of*
20 *Part 1 of Division 3 of Title 2 of the Government Code.*

21 *(l) The department, in consultation with representatives of the*
22 *local agencies that administer the Medi-Cal program, consumer*
23 *advocates, and other stakeholders, shall develop and distribute*
24 *the policies and procedures, including any all-county letters,*
25 *necessary to implement this section.*

26 *(m) Nothing in this section shall be construed to authorize the*
27 *denial of medical assistance under the Medi-Cal program to a*
28 *child who, without the application of this section, would qualify*
29 *for that assistance or to excuse the Medi-Cal program or the*
30 *Healthy Families Program of the obligation to determine eligibility*
31 *on all other available grounds.*

32 *(n) The department shall implement this section by July 1, 2011.*

33 *SEC. 20. It is the intent of the Legislature to enact legislation*
34 *that would require the State Department of Health Care Services*
35 *to coordinate with the Employment Development Department to*
36 *inform recently unemployed workers about potential eligibility for*
37 *the Medi-Cal program, the Healthy Families Program, or other*
38 *public health care coverage programs.*

39 *SEC. 21. It is the intent of the Legislature to enact legislation*
40 *that would, on or before July 1, 2011, restore funding for the*

1 county outreach and enrollment plans pursuant to Section 14067.3
2 of the Welfare and Institutions Code and that would broaden the
3 outreach approach of those plans to all California counties.

4 SEC. 22. It is the intent of the Legislature to enact legislation
5 providing parents with an easier way to pay premiums, including
6 family contributions under the Healthy Families Program, with
7 pretax dollars or through their paychecks.

8 SEC. 23. Notwithstanding any other provision of law, the
9 Managed Risk Medical Insurance Board may implement the
10 provisions of this act expanding the Healthy Families Program
11 only to the extent that funds are appropriated for those purposes
12 in the annual Budget Act or in another statute.

13 SEC. 24. If the Commission on State Mandates determines that
14 this act contains costs mandated by the state, reimbursement to
15 local agencies and school districts for those costs shall be made
16 pursuant to Part 7 (commencing with Section 17500) of Division
17 4 of Title 2 of the Government Code.